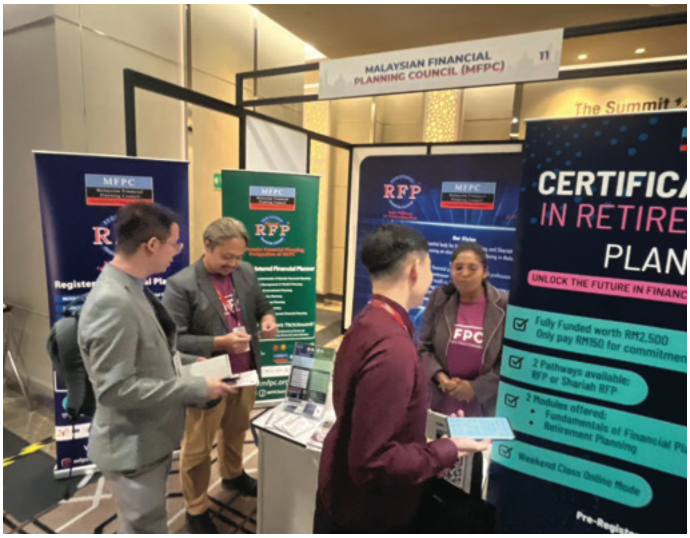
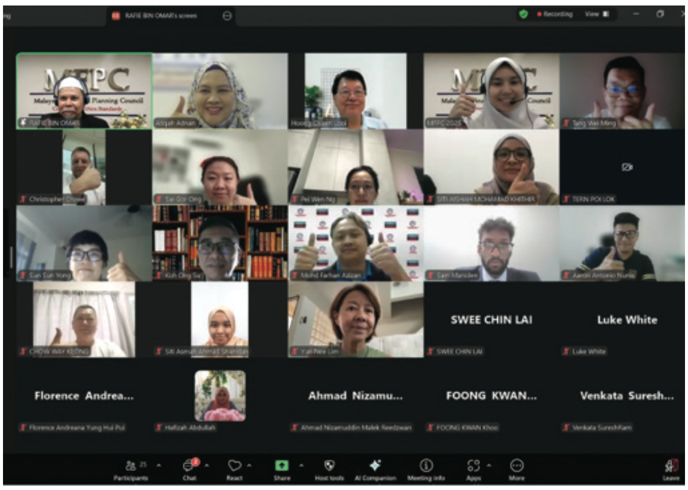
9 Oct 2025 – MFPC Booth: FiMM Annual Conference (FiMMAC) 2025 @ The Vertical, Bangsar



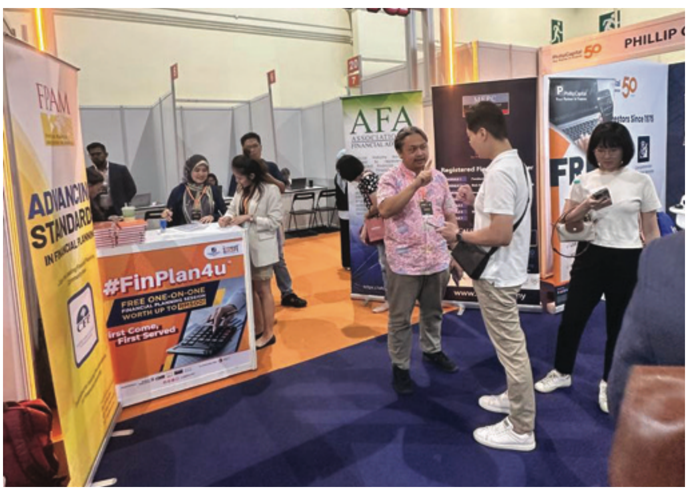
10 Oct 2025 – MFPC at UPM Inaugural Lecture Series: Sustaining Financial Well-Being – Do Financial Literacy, Financial Behaviour & Financial Education Matter? @ Universiti Putra Malaysia, Serdang

16 Oct 2025 – MFPC Webinar CPD Programme: Estate Planning – Is It a Myth? (Case Study M5)



18 Oct 2025 – MFPC Talk: Who is MFPC & What Do They Do? @ Zoom Platform

24-26 Oct 2026 – MFPC at InvestSmart Fest 2025: FinPlan4u Booth @ Mid Valley Convention Centre, Kuala Lumpur



30 Oct 2025 – MFPC Johor Chapter at FEN Program Literasi Kewangan @ Kolej Kemahiran Johor Bahru, Johor

INVESTING OR GAMBLING? SHOULD CRYPTO BE PART OF YOUR FINANCIAL PLAN?

In today's fast-evolving financial landscape, cryptocurrencies are no longer fringe speculative bets — they are being seriously debated as part of the broader wealth-planning conversation. But not all digital assets are the same. Stablecoins, Cryptocurrencies, and Central Bank Digital currency (CBDC) play very different roles, and each comes with its unique risks and opportunities. As a Licensed Financial Planner, it's critical to help clients understand these distinctions — and think clearly — before allocating any meaningful portion of their portfolio.

Before we dive deeper, let's first explore and understand the characteristics of each asset class — Stablecoins, Cryptocurrency (using Bitcoin as an example), and CBDCs, which are not yet adopted in Malaysia.

Feature	**Stablecoins (e.g. USDT)**	**Bitcoin (BTC)**	**CBDC**
Issuer	Privately-issued & backed by assets	Privately-issued & not backed by assets	Issued & backed by a sovereign body (e.g., Government, Central Banks)
Price & Store of Value	Value backed by assets (e.g., fiat currency, commodity) or is stabilised by controlling the market supply of the stablecoin	Highly volatile Scare – 21 million max Decentralised – can't be 'banned'	1:1 with national fiat currency
Medium of Exchange	May potentially be used as means of payment subject to effectiveness of value stabilisation mechanism	Not likely to be widely used as means of payment due to various limitation (e.g. price volatility)	Designed for broad adoption in payments as digital representation of fiat currency
Main risks	De-peg, reserve transparency, regulatory uncertainty	Sentiment swings, volatility, market cycles	Transparency & regulated Fiat Currency Risk
Portfolio role	-	Speculative growth, long term diversification, low or even negative correlation with traditional assets (Equities, Bonds, Gold, REITs etc), offering diversification benefits in a portfolio	-

Many investors are dazzled by the headlines: "Bitcoin to $1 million," "Ethereum revolutionises finance," or "Stablecoins power DeFi." Is that true? As a trusted financial professional, my job is to bring you back to first principles:

What are the real risks — not just market risk, but counterparty, design, liquidity, redemption (run-on-the-fund) and regulatory risks? Does it align with your true financial objectives — retirement, preservation, or growth? And if things go wrong, are you prepared?

When weighing these digital assets, keep in mind: why crypto is not risk-free? The following explains:

- **Decentralisation** - BTC and Ethereum operate without a central issuer, which removes counterparty risk but introduces other forms of risk (network risk, governance risk).

- **Scarcity:** Bitcoin is capped at 21 million coins — a core part of its narrative as digital gold. While Bitcoin is programmed to be capped at 21 million, its scarcity is fundamentally different from gold.

  Gold's scarcity is natural, whereas BTC's scarcity is human-designed — and although the 21 million limit is enforced by decentralised consensus, similar cryptocurrencies with their own fixed supply can always be created. Therefore, Bitcoin's scarcity is artificial and replicable, unlike the naturally scarce physical gold, whose supply cannot be recreated or duplicated.

- **Speculation:** Much of crypto demand today is speculative. Investors often buy not because of cash flows or earnings but because they believe in future adoption.

- **Intrinsic Value:** BTC has no intrinsic value in the traditional financial sense (non-existent cash flows), but it holds perceived value driven by network adoption, scarcity and demand. Ethereum extends this further with utility-based value through smart contracts and real use cases.

- **Price Volatility:** Volatility can be extreme, to illustrate its crashes: 2018: –80%, 2022: –64%. One social media post on X can move the market and according to J.P. Morgan (2023): BTC's volatility is four to five times higher than S&P 500.

- **Stablecoin Risk:** (De-Pegging / Redemption / Reserve Risk) Some stablecoins may not hold high-quality reserves, or they may mismanage redemption mechanics. The International Monetary Fund highlights these as core risks for stablecoin users. Regulatory bodies are stepping in: global regulators are increasingly requiring stablecoin issuers to maintain proper reserve backing, redemption rights, and transparency. The Bank for International Settlements (BIS) warns that stablecoins could undermine monetary sovereignty or pose systemic risk if not properly backed.

- **Regulatory Risk:** Crypto regulation is still maturing. For stablecoins, many jurisdictions are now imposing licensing, reserve requirements, redemption rights and governance standards. The European Union's Markets in Crypto-Assets (MiCA) regulation is just one example; without global regulatory alignment, stablecoin issuers face cross-border compliance conflicts, reserve adequacy challenges, and even the risk of being restricted or forced to suspend operations in certain jurisdictions. In addition, central banks are developing their own digital currencies (Central Bank Digital Currencies/CBDCs). As CBDCs roll out, demand for private stablecoins—especially for payments—may shift, diminish or evolve toward more regulated and specialised use cases.

- **Liquidity Risk:** In a "run" scenario, stablecoins could face mass redemptions, potentially triggering a fire sale of assets or reserve stress. The BIS has raised this concern as stablecoins are often the bridge between crypto and traditional finance and their failure could potentially ripple into broader financial markets.

Future Landscape

CBDCs are being actively researched and piloted around the world. A well-designed CBDC may offer a safer, regulated digital alternative—reducing the demand for private stablecoins. The U.S. GENIUS Act requires stablecoin issuers to be licensed, fully backed and compliant with Anti Money Laundering Act to ensure oversight and consumer protection.

In the EU, MiCA mandates authorisation, reserve requirements, and transparency for asset-referenced and e-money tokens. These frameworks reflect a global move toward stricter reserve backing, licensing, and operational standards for stablecoins. The design and adoption of CBDCs could reshape the entire crypto ecosystem: stablecoins may need to compete with sovereign digital money, affecting their role as a bridge between traditional finance and DeFi.

Deep Thoughts for Clarity

1. Ask Yourself Before Allocating - Why am I investing in crypto? Is it for growth, speculation?
2. Can I stomach a major drawdown without compromising my retirement security?
3. What happens if regulations tighten? Am I relying on regulation or luck?
4. Have I balanced my crypto exposure with other low-risk, stable investments like high-quality bonds or equities?

Digital assets are exciting, innovative, and full of potential — but they are also unpredictable, evolving, and speculative.

Final Words

If you are saving for serious goals like retirement or your children's education, your financial future deserves a careful strategy — not guesswork, and certainly not gambling.

Crypto investment can enhance wealth, but unmanaged risk can also destroy it. These are high-risk, high-reward assets; they may not be suitable as core wealth accumulation portfolio holdings.

Overexposure can jeopardise your financial goals, especially when volatility or regulatory shocks hit.

The smart move? Work with a Licensed Financial Planner — one who truly understands both financial planning and digital assets. Not every planner does. With the right guidance, your crypto decisions align with your goals, time horizon, and risk appetite — not hype, noise, or fear.

Investment success is never based on luck — it is built on strategy, discipline, and professional guidance.

Written By:

Yawales Sae Teoh is a Licensed Financial Planner with 15 years of experience in foreign banking and wealth management. Licensed under FAR and CMSRL, she has advised clients on complex solutions including bonds, structured products, and foreign currency investments. Now with YES Financial Berhad, Yawales provides unbiased, holistic advice to professionals, executives, retirees, and entrepreneurs, and is an MDRT 2024 member and multiple award-winning adviser.